

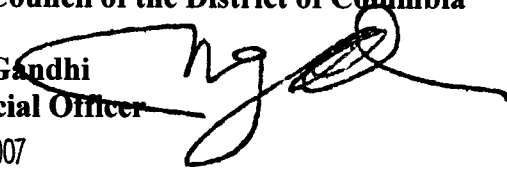
**Government of the District of Columbia
Office of the Chief Financial Officer**

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: NOV 20 2007

SUBJECT: Fiscal Impact Statement: "SafeRx Act of 2007"

REFERENCE: Bill Number 17-364 – Committee Print

Conclusion

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation.

Background

The proposed legislation would amend the District of Columbia Health Occupations Revisions Act of 1985¹ to regulate the practice of pharmaceutical detailing², to prohibit certain actions by pharmaceutical detailers, and to set licensure qualifications for pharmaceutical detailers.

The proposed bill would also amend the Department of Health Functions Clarification Act of 2001³ to establish the Pharmaceutical Education Fund, a non-lapsing, revolving fund in the Department of Health (DOH) to be administered by the Mayor. All licensing fees, civil fines, and interest earned relating to the practice of pharmaceutical detailing would be deposited into the Fund. Monies from the Fund would be used, subject to appropriation by the District Council, to support the needs of the Board of Pharmacy and to establish an academic detailing program in

¹ D.C. Law 6-99; D.C. Official Code § 3-1201 *et seq.*

² As defined in the proposed legislation, the "practice of pharmaceutical detailing" means the practice by a representative of a pharmaceutical manufacturer or labeler of contacting or engaging a licensed health professional located in the District of Columbia, or an employee or representative of a licensed health professional located in the District, for purposes of selling, educating or in any way providing information on a pharmaceutical.

³ D.C. Law 14- 828; D.C. Official Code § 7-731 *et seq.*

DOH. The proposed bill authorizes the Mayor to establish a fee schedule for all services relating to the regulation of health occupations under this bill.

The proposed legislation would require a prescriber to make efforts to provide a patient with information about off-label use of medication, would prohibit the use of prescribing data for marketing purposes without the consent of a physician, and would prohibit gifts or remuneration of any kind from a pharmaceutical company to a member of a medication advisory committee.

Financial Plan Impact

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation.

The Health Regulation and Licensing Administration (HRLA) has indicated to the Office of the Chief Financial Officer (OCFO) that it can absorb the cost of implementing the proposed legislation with existing resources. The proposed legislation authorizes the Mayor to establish a fee schedule for all services related to the regulation of all health occupations under this bill, and provides that all licensing fees, civil fines, and interest earned related to the practice of pharmaceutical detailing would be deposited into the Pharmaceutical Education Fund. As such, it is understood that HRLA would set this fee schedule in such a way that related licensing fees would be sufficient to cover the costs associated with implementation of this legislation, subject to the applicable laws relating to the appropriation of District funds.

Federal and District anti-deficiency laws⁴ prohibit District officers and employees from exceeding agency appropriations in any fiscal year.

⁴ 31 USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitor* (2003).